

REMARKS

After entry of the foregoing amendment, claims 1-5, 14, and 18-28 are pending in the application. Claims 6-13, 15 and 16 were subject to restriction and have been canceled (without prejudice to applicants' right to pursue claims of commensurate scope in one or more related applications).

The rejection of claims 1-5 as obvious over Russell (5905248) and Mowry (5951055), and the rejection of claim 14 over Mowry, are respectfully traversed.

Russell is understood to disclose an arrangement in which print media bears a bar code that can be scanned to link to a URL having an applet designed for carrying out a particular transaction (e.g., a ticket purchase, a securities trade, etc.)

Mowry is understood to disclose a security document with a pattern of glyph markings that encode information.

The Action acknowledges that Russell does not teach recognizing a security document, but seeks to find such teaching in Mowry, and then seeks to combine with Russell.

However, review of Mowry does not show any teaching of "recognizing a security document." Instead, Mowry simply teaches a machine-readable data block on a document. Machine-readable data on documents is old, with the magnetic ink printing of numerical routing information on personal checks being a familiar example.

Mowry does not teach that such machine-readable marking should be exclusively applied to "security" documents. Instead, he notes that, as used in his description of the invention, "document" should mean "any tangible object upon which information is printed, e.g., a sheet of paper, a card, a label, etc." (Col. 5, lines 3-6.)

Accordingly, Mowry cannot be said to teach "recognizing a security document" but instead teaches *reading* machine-readable data from a document (which may or may not be a "security" document).

Still further, applicants submit that the rationale offered in the Action for the proposed combination is insufficient to establish a *prima facie* case under Section 103. Contrary to the statement in the Action, Russell does not deal with "unauthorized reproduction." Rather, he is concerned with triggering JAVA applets from printed materials.

In addition to the predicate of the obviousness rationale being missing from Russell, the reasoning offered in the Action appears to be based on a hindsight analysis, rather than a teaching or suggestion from the art itself.

Since a prima facie case has not been established as to claim 1, grounds for the independent allowability of claims 2-5 are not belabored here.

Claim 14 is likewise patentable. The general teachings of Mowry seem to have been transformed by impermissible hindsight into the specific arrangement claimed. This is not the law. Disclosure of a genus does not render a species obvious without a specific teaching or suggestion in the art. Applicants respectfully submit that the art provides no such suggestion.

New claims 18-28 are added to more fully protect applicants' inventive work, and have been drafted so as to be properly examinable with the elected group of claims.

The undersigned is investigating inventorship of the claims after cancellation of the non-elected claims, and will file a Petition under 37 CFR 1.48(b) if an amendment to the inventorship is required.

Favorable reconsideration and passage to issuance are solicited.

Date: February 27, 2003

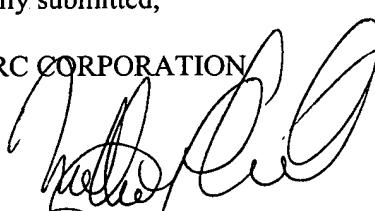

23735

Phone: 503-885-9699
FAX 503-885-9880

Respectfully submitted,

DIGIMARC CORPORATION

By _____


William Y. Conwell
Registration No. 31,943.